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February 4, 2009

VIA FACSIMILE (312.353.5541)

Mr. Kevin Adler  
Remedial Project Manager  
U.S. Environmental Protection Agency  
Region 5  
77 West Jackson Blvd.  
Chicago, IL 60604

Re: National Gypsum Company Comments on OUI Proposed Plan

Dear Mr. Adler:

New NGC, Inc. d/b/a National Gypsum Company fully supports the United States Environmental Protection Agency's ("USEPA") selection of Option D2 as the remedy for Waukegan Harbor ("Harbor"), Operable Unit 1 ("OUI"). National Gypsum has manufactured wallboard at its plant on Waukegan Harbor since 1959 and looks forward to continuing to do so for many decades to come. Our plant employs many Waukegan area residents, and contributes directly and indirectly to the local, state and interstate economy. Essential raw materials are transported to our plant via cargo ships crossing the Great Lakes and entering Waukegan Harbor. Thus, maintaining the Harbor's commercial navigability is vital to our operation.

The selection of Option D2 is consistent with the remedy preferences mandated by Section 121 of the Comprehensive Environmental Response, Compensation, and Liability Act in that Option D2 is most protective of human health and the environment and provides a remedy that is permanent and effective over the long-term. It is also relatively easily and quickly implemented.

In selecting the remedy that is most permanently protective of human health and the environment, USEPA has also selected a remedy that acknowledges several other important criteria. In particular, current and future land use in the Harbor includes industrial users that rely on the deep draft navigability of the Harbor. We would like to be very clear about one point: without the Congressionally authorized federal channel National Gypsum could not operate its Waukegan plant. Therefore, keeping the channel open to commercial navigation means the difference between continuing operations and shutting down a plant that creates many well paying jobs for our workers and others

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dependent upon our existence. Moreover, USEPA has noted as an applicable and relevant and appropriate requirement ("ARAR") the prohibitions of the Rivers and Harbors Act on creating obstructions in a navigable water of the United States. Any attempt to circumvent these requirements by capping or otherwise obstructing the navigation channel would result in protracted and expensive takings litigation. The cost of takings litigation would inevitably exceed any perceived cost savings achieved through selection of a less expensive capping remedy. Indeed, replacement of National Gypsum's plant alone likely would cost well over \$80 million.

The selected remedy has the added benefits of maintaining Waukegan Harbor as a harbor of refuge; the only such safe haven for commercial vessels between Milwaukee and the Port of Chicago. In addition, Option D2 addresses the beneficial use impairments which caused Waukegan Harbor to be listed as an Area of Concern by the International Joint Commission. Implementation of the selected remedy will bring the Harbor a long distance toward delisting as an Area of Concern.

Completion of the selected remedy also will allow the United States Army Corps of Engineers to resume maintenance dredging to the federally authorized depth. In the past, National Gypsum had announced its willingness to work with USEPA, the Corps of Engineers, and other state and local authorities and industries to achieve the cleanup of the harbor and maintenance of commercial navigation. We stand ready to resume these cooperative efforts during the design phase for the selected remedy.

In sum, USEPA's selected remedy is the most protective and permanent remedy. It has the added benefit of recognizing the current and future land use of the Harbor, bringing the Harbor to a point where the Corps of Engineers can resume maintenance of the authorized federal channel, and addressing the beneficial use impairments that have caused the Harbor to be listed as an Area of Concern. For these reasons we support the selected remedy.

If you have any questions, please feel free to contact the undersigned, our General Counsel, Samuel Schiffman, 704.365.7667, or our outside counsel, Janine Landow-Esser, 312.715.5055.

Sincerely,



Gerard P. Carroll  
Sr. VP, Manufacturing and Engineering

cc: Samuel Schiffman  
Janine Landow-Esser